GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:743
ANSWERED ON:27.07.2000
SETTING UP OF REGULATORY AUTHORITY FOR PETROLEUM SECTOR
SUBODH MOHITE

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government propose to set up Regulatory Authority for Petroleum Sector;

(b) if so, the details thereof;

(c) the time by which it is likely to be setup;

(d) whether the Government also propose to change pricing mechanism of petroleum sector; and

(e) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (c) Government have decided to establish a regulatory framework to oversee the functioning of and enforcing a competitive framework in the Hydrocarbon Sector. Various aspects of regulation in respect of the upstream, downstream and natural gas sectors have not been finalised as yet and no time frame can be indicated at this stage.

(d) & (e) Pursuant to the Government decision of November, 1997 to dismantle administered pricing mechanism (APM) in phases, the system of retention pricing has been abolished for all (existing and new) refineries. As per the decision, consumer prices of all petroleum products have been decontrolled except motor spirit, high speed diesel, aviation turbine fuel, kerosene (PDS) and liquified petroleum gas (domestic). The prices of high speed diesel are required to be fixed on import parity basis up-to ex-storage point level and pricing of other controlled products is to be moved towards import parity.